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6 August 1987


## MEMORANDUM FOR THE RECORD

SUBJECT: Minutes of PRG Meeting on Imports from Iran, 6 August 1987

1. This PRG was called to resolve a longstanding dispute between State Department and Defense. The issue is restrictions on sales of goods to Iran. In 1986 over \$30 million worth of goods were sold to Iran. Included in these sales were some low tech computers. Defense has been adamant that no materiel other than food should be sold because most goods have some use in the war effort. State has been more inclined to make decisions on a case-by-case basis and approved sales of items that were going into the civilian sector.

2. There was general agreement that we should review the list of material currently being sold to Iran and be more restrictive than in the past. All members of the PRG agree the US does not want to sell anything that could be used even indirectly in the war effort. A working group will review the kinds of material we wish to prohibit. In fact, it may be easier to develop a list of things we are willing to sell.

3. There also was a decision to look carefully at our imports from Iran and at a range of other economic connections we still have with Iran. Discussion concluded that it made no sense to work on a \$30 million export list when last year the US imported over \$600 million of goods including \$460 million in oil alone. The next step will be to address the larger issue of what economic leverage remains.

  
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